

Message Text

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PAGE 01 MASERU 00189 151555Z

ACTION AF-08

INFO OCT-01 ISO-00 EB-08 COME-00 OPIC-03 TRSE-00 XMB-02

CIAE-00 INR-07 NSAE-00 AID-05 /034 W

-----151606Z 049679 /45

P R 151230Z FEB 77

FM AMEMBASSY MASERU

TO SECSTATE WASHDC PRIORITY 6707

INFO AMEMBASSY GABORONE

AMEMBASSY MBABANE

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

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CAPE TOWN FOR EMBASSY

E.O. 11652: N/A

TAGS: EIND, LT

SUBJECT: US INVESTMENT IN BLS

REF: STATE 27747

1. FOLLOWING IS POST'S RESPONSE TO QUERIES IN PARA 2 REFTTEL:

A) INTERNAL CORPORATE TAX RATE: 37.5 PERCENT ALL INCLUSIVE ON PROFIT. VARIOUS ATTRACTIVE TAX INCENTIVES ARE HOWEVER AVAILABLE WITH APPROVAL OF PIONEER INDUSTRIES BOARD. COMPLETE INFORMATION ON INCENTIVES AND ANY INVESTMENT ASSISTANCE IS READILY AVAILABLE FROM THE LESOTHO NATIONAL DEVELOPMENT CORPORATION (MR. ROGER GURR, MANAGING DIRECTOR). ADDRESS P.O. BOX MS 666 MASERU, LESOTHO; ALSO TELEX 341 MASERU.

B) POWER RATE: RATE WOULD HAVE TO BE NEGOTIATED. AT THIS TIME TOTAL COUNTRY-WIDE ELECTRICAL CONSUMPTION IS ONLY 10-12 MEGAWATTS. ALL POWER COMES FROM THE SOUTH AFRICAN ESCOM CORPORATION. LONG DESIRED
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CONSTRUCTION OF HYDROELECTRIC COMPLEX IN LESOTHO'S MOUNTAINS COULD BECOME ECONOMICALLY FEASIBLE WITH A CONSUMER SUCH AS IMC.

C) RAIL RATE: SHIPMENT OF PROCESSED ORE FROM MASERU TO DURBAN WOULD COST APPROXIMATELY \$27.00 PER TON. ALL SHIPPING WOULD BE ON SOUTH AFRICAN RAILWAYS.

2. EMBASSY FEELS THAT GOL WOULD PROVIDE MOST HELPFUL AND
ACCOMMODATING ENVIRONMENT FOR INVESTOR OF IMC'S IMPORTANCE.
CERTAIN DRAWBACKS ARE HOWEVER EVIDENT, SUCH AS TOTAL DEPENDENCE
ON RSA TRANSPORT AND POWER SOURCES, HISTORICAL HOSTILITY OF SAG
TO MAJOR OUTSIDE INVESTMENT IN LESOTHO AND RECENT COOLING OF
GOL-SAG POLITICAL RELATIONS. PLUSES ARE LESOTHO'S HIGHLY
TRAINABLE MANPOWER POSSESSING LONG EXPERIENCE WITH MINING
MACHINERY, NEGLIGIBLE THREAT OF NATIONALIZATION AND A BASICALLY
CONSERVATIVE CAPITALISTIC GOVERNMENT WHICH IS EAGER FOR MAJOR
INVESTMENT.
STOKES

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENTS, MINERALS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MASERU00189
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770053-0942
Format: TEL
From: MASERU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770241/aaaabkbs.tel
Line Count: 73
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ef3ecec6-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 27747
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3320889
Secure: OPEN
Status: NATIVE
Subject: US INVESTMENT IN BLS
TAGS: EIND, LT, US
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/ef3ecec6-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009